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DD/S-59-589

VX-0145 (DD/S)

13 Feb 1959

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Report on Review of Functions and Ceiling Allocation,  
DD/S Area

REFERENCE : Memo dtd 28 Jan 59 to DD/I, DD/P, DD/S, DD/C from  
DCI, subj: Program for Greater Efficiency in CIA

This is the initial report, requested in paragraph 4 of the referenced memorandum, on my review of the functions of, and ceiling allocation to, all DD/S components. This report is for information only.

1. STEPS TAKEN

- a. In recognition of your interest in promoting efficiency throughout the organization and of Bureau of the Budget and Congressional pressures on Agency personnel ceiling, last December I requested DD/S components to review carefully all their functions; to arrange functions in order of priority according to contribution to mission; and to cost each function in terms of manpower and total expenditure.
- b. During the month of January, I visited each of the DD/S Offices<sup>1</sup> and Staffs<sup>2</sup> and went over in detail with the head of each component the results of his review of, and conclusions concerning, his own operations.
- c. Some overdue upward revisions of ceiling were effected.<sup>3</sup>
- d. On 5 February, by memorandum, I informed the head of each DD/S component of his ceiling objectives for FY 1959 and FY 1960, providing general guidance for their attainment.

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- 1/ DD/S Offices; Office of Communications, Office of the Comptroller, Office of Logistics, Officer of Personnel, Office of Security, Office of Training.
  - 2/ DD/S Staffs: Immediate staff of the DD/S, including the Special Support Assistant; Audit Staff; Commercial Staff, General Counsel; Management Staff; Medical Staff
  - 3/ Totalling [ ] distributed as follows: Office of Training, [ ] [ ]; Office of Security, [ ] (project CHALICE requirement); other components, [ ]

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## 2. RESULTS

Aside from a reduction of two in my own staff, no reductions in the ceilings of DD/S Staffs are projected through the end of FY 1960. Ceiling reductions effected or in prospect are essentially in the Offices of the DD/S. (See Tab A.) Projected reductions in ceiling for all DD/S components total [ ] for the remainder of FY 1959<sup>1</sup> and [ ] for FY 1960, a combined total of [ ]. These figures are based on the new ceilings established by the DD/S January adjustments<sup>2</sup> and may not be realized on a net basis.<sup>3</sup>

## 3. DISCUSSION

Specific reduction and ceiling objectives for each DD/S component are set forth in Tab A. I shall therefore confine my discussion to general comments and significant points in supplement to that Tab.

a. DD/S Staffs

In my judgment the DD/S Staffs are generally performing important functions, their staffing is tight, and short of a mandate to cut more deeply I see little scope for significant reductions in this area. It is my opinion that the Management Staff might eventually do with a lower ceiling than [ ] and I have so informed John O'Gera. However, until we have solved the Agency-wide problem of personnel disposal the excess on-board count of [ ] in the Management Staff makes any consideration of ceiling reduction there at this time academic.

b. DD/S Offices

(1) the outstanding contribution from the DD/S Offices comes from the Office of Personnel. By tightening staffing and consolidation functions, that Office proposes to reduce its ceiling by [ ] or ten percent, by the end of FY 1960. I have already complimented Gordon Stewart on his realistic, hard-hitting address to this problem.

1/ 1 February through 30 June

2/ See paragraph 1c, with footnote.

3/ a) [ ] of the projected reductions for FY 1959 will be absorbed in bringing OTR contract personnel under ceiling as required by [ ] thereby decreasing by FY 1959 figure from [ ], net; b) using ceiling figures of 31 December 1958 as a base and subtracting from projected FY 1959 reductions the increases in ceiling granted during January would further decrease the FY 1959 reduction figure to a net of [ ]; c) it is, of course, impossible to predict what additional demands on ceiling may arise before the end of FY 1960; or, on the other hand, what additional opportunities for further reductions may occur.

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50X1 (2) The fact that no net reduction for the Office of Training is  
shown for FY 1959 obscures the true contribution from that Office.  
The Office of Training proposes to free [ ] ceiling positions.<sup>1</sup> by the  
end of FY 1959. This ceiling will be used to provide the coverage  
50X1 necessary to bring Training's contract employees under ceiling in  
accordance with [ ]<sup>2</sup> Training's reduction effort thus offsets  
50X1 a needed increase in ceiling, with a net FY 1959 effect of zero for that  
Office. Training's FY 1960 objective calls for a ceiling reduction of [ ]

50X1 (3) The objective for the Office of Logistics is a ceiling reduction of  
[ ] or nearly four per cent, by the end of FY 1960. I believe there can  
and should be significant increases in productivity in the operations of  
this Office. We should recognize, however, that the Office of Logistics  
has absorbed substantial increases in workload over the past few years.  
Tab B shows increased in workload in that Office from 1956 to 1958 as  
reflected by some of the key indicators.

(4) The Office of the Comptroller is generally performing necessary  
functions and is tightly staffed. I see no opportunity for significant  
reduction here unless it is through extended machine application. This  
possibility is under active consideration, based on an extensive Management  
Staff feasibility study. The Management Staff is also investing the validity  
of the heavy reporting requirements levied on the Machine Records Division.

(5) The plans for the Office of Security and for the Office of Communications  
call for a straight one per cent reduction in FY 1959 and two per cent in  
FY 1960. It should be possible to realize these reductions, given no  
further increases in the requirements on these Offices. You are of course  
well aware of the substantial increase in the volume of Communications traffic  
While the workload of the Office of Security is not as easily measured, it  
too has increased substantially over the past few years.

50X1 1/ [ ] of these positions were freed on 1 Feb 1959, by contracting the  
50X1 janitorial function [ ] to Government Services, Inc. [ ] ceiling  
50X1 positions were similarly freed [ ] on 1 July 1958 by contracting  
the commissary function to Government Services. It should be pointed out  
that while the contracting of functions saves ceiling, it does not save  
funds.

2/ I.e., those contract employees performing staff-type duties within the  
United States. Those affected are principally in the Language and Area  
School of the Office of Training.

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c. Comparison with End of FY 1957

We have been trying for some time now to bring the DD/S ceiling down. These efforts have not been without results. Using the ceiling at the end of FY 1957 as a base, the DD/S component ceiling<sup>1</sup> as revised in January 1959 shows a reduction of 3.4 per cent. Realization of established objectives would raise this figure to 4.6 per cent by the end of FY 1959, and to 6.5 per cent by the end of FY 1960.<sup>2</sup> Tab C presents these data, along with the comparison of the 31 December 1958 and the end-of-FY 1957 ceiling positions for the total Agency and for each major component.

d. Economies in Prospect with Move to New Building

To move to the new building should result in further economies in DD/S operations. Obvious areas for reduction at that time are; physical security functions, transportation, building supply, space maintenance and facilities, and other operations where geographically divided coverage is required at the present time, such as the Medical Staff and the General Counsel.

e. Adequacy of Staffing, DD/S Area

In connection with the over-all problem of ceiling allocation, it may be relevant to mention that objective studies of DD/S components over the past several years have quite consistently resulted in recommendations for increases in staffing.<sup>3</sup>

4. INTERPRETATION OF CEILING STATISTICS

- a. A comparison of ceiling figures over time is revealing only in a flat quantitative sense. To be meaningful as an index of performance or of the adequacy of staffing, ceiling figures need to be related to workload.

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- 1/ Total DD/S ceiling, less DD/S Reserve (and less IAS and JOTC, which have been excluded from DD/S ceiling throughout this paper).  
2/ These reductions are net of ceiling increases effected in January 1959.  
3/ Management Staff studies have resulted in far more recommendations for increases in staffing than for decreases. Where he has commented on the staffing of DD/S components, the Inspector General has recommended increases.

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- b. Our present system of ceiling accounting does not adequately reflect changes in work burden, whether such changes result from shifts in responsibilities and functions or from straight-forward increases or decreases in volumes of work. In particular the present system does not register increases in productivity which, rather than being reflected in direct reductions, permit the absorption of additional responsibilities or demands on ceiling without corresponding ceiling increases.<sup>1</sup>
- c. With the objective of making our ceiling accounting more meaningful, I have asked the Management Staff to work on the development of a system which would reduce, if not overcome, the above deficiencies.

## 5. CONCLUSION

- a. The ceiling objectives thus far established for the DD/S Area seem to me realistic. Possibly the results of more exhaustive study will enable us to exceed them. Specific questions concerning functions, organization, procedures, and validity of existing requirements have already been referred to the Task Force via John O'Gera. Others have been assigned to the Management Staff. The Management Staff is now engaged in a depth survey of the Office of Logistics. Surveys of other DD/S. Offices will follow.
- b. I have urged the attention of the head of each DD/S component to his continuing responsibility to strive for greater efficiency throughout his operation. We will continue our stringent scrutiny of ceiling and will press for reductions wherever possible.

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1/ Recent cases in point in the DD/S Area are: substantial absorption by the Medical Staff of the dependent medical program (□ positions); absorption by the Office of Security of the physical security function for the new building (□ positions) and of increased counter-audio activity (□ positions); absorption by the Office of Communications of new requirements in connection with a) the initial phase of CRITIC, and b) the conversion to new and more complex equipment; and the current absorption by OTR of □ contract personnel who must be brought under ceiling.

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- c. While I recognize that much remains to be done, in my judgment our central problem now is in the personnel area: the identification and separation of the poorest performers at all levels and in all Career Services of the organization. I believe it is to this problem that we should turn our focus.

/s/

L.K. WHITE  
Deputy Director  
(Support)

3 Att Tabs A, B, C.

MS:LG:

O-Add w/att  
DD CI

LG

Comp

D/Per s

SPA-DD/S

Mr. C'gara

DD/SEB

CEB Ceiling Book